



COLLEGE STATION

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MEMORANDUM

TO: Mayor McIlhaney
and City Council Members

FROM: Harvey Cargill, Jr., City Attorney *Harvey*

DATE: June 14, 2001

SUBJECT: TXU Gas Distribution Request to Increase Rates in the City of College Station

The pertinent dates are set out below:

May 31, 2001	TXU Gas Distribution filed Statement of Intent to Increase Rates
July 5, 2001	proposed date for rates to increase; 35 days after filing rates, rates go into effect automatically unless suspended proposed date for rates to increase
October 3, 2001	(35 days + 90 day extension) rates become effective unless new rates set or increase denied

By law, the City Council has the responsibility of setting the rates for TXU Distribution Company. By suspending the proposed rate increase, the City Council will be exercising its statutory responsibility to look at the proposed rate increase. The Gas Utility Regulatory Act also requires that the City procure all services necessary for determining and setting the appropriate rates. Expenses incurred in the procurement of these services will be reimbursed by TXU Distribution and then passed on to the ratepayers.

The following actions are recommended at this Council meeting:

- (1) Suspend the rate increase for ninety (90) days; otherwise, the increase is automatically approved at the expiration of 35 days.
- (2) Authorize the City Manager to procure the services of consultants, accountants, auditors, attorneys and engineers, if needed, to evaluate the rate increase request. The rate increase analysis will be completed as soon as possible.

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RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COLLEGE STATION, TEXAS, SUSPENDING THE PROPOSED JULY 5, 2001, RATE INCREASE OF TXU GAS DISTRIBUTION FOR NINETY (90) DAYS AND AUTHORIZING THE PROCUREMENT OF PROFESSIONAL SERVICES RELATING TO THE RATE INCREASE.

WHEREAS, on May 31, 2001, TXU Gas Distribution filed a Statement of Intent to increase residential, commercial, industrial, and transportation rates to become effective July 5, 2001;

WHEREAS, the Gas Utility Regulatory Act requires that the City Council procure any and all services necessary to make the determination of reasonable rates; and

WHEREAS, the City Council needs additional time to study the proposed rate increases; now, therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF COLLEGE STATION, TEXAS:

Part 1: That the City Council hereby suspends the proposed rate increase for ninety (90) days beyond July 5, 2001, the date on which the schedule of rates would otherwise go into effect, in order to allow the City Council time to study and review the proposed rate increase.

Part 2: That the City Manager is hereby authorized to procure any and all services necessary to examine and advise the City Council with regard to the proposed rate increase.

Part 3: That the City Attorney is hereby authorized to notify TXU Gas Distribution that the proposed increase is hereby suspended for ninety (90) days beyond July 5, 2001.

Part 4: That this resolution shall take effect immediately from and after its passage.

ADOPTED this _____ day of June, AD 2001.

APPROVED

ATTEST:

LYNN McILHANEY, Mayor

CONNIE HOOKS, City Secretary

APPROVED:



City Attorney